



Office of the Legislative Auditor
State of Minnesota



School District Integration Revenue

March 1, 2011

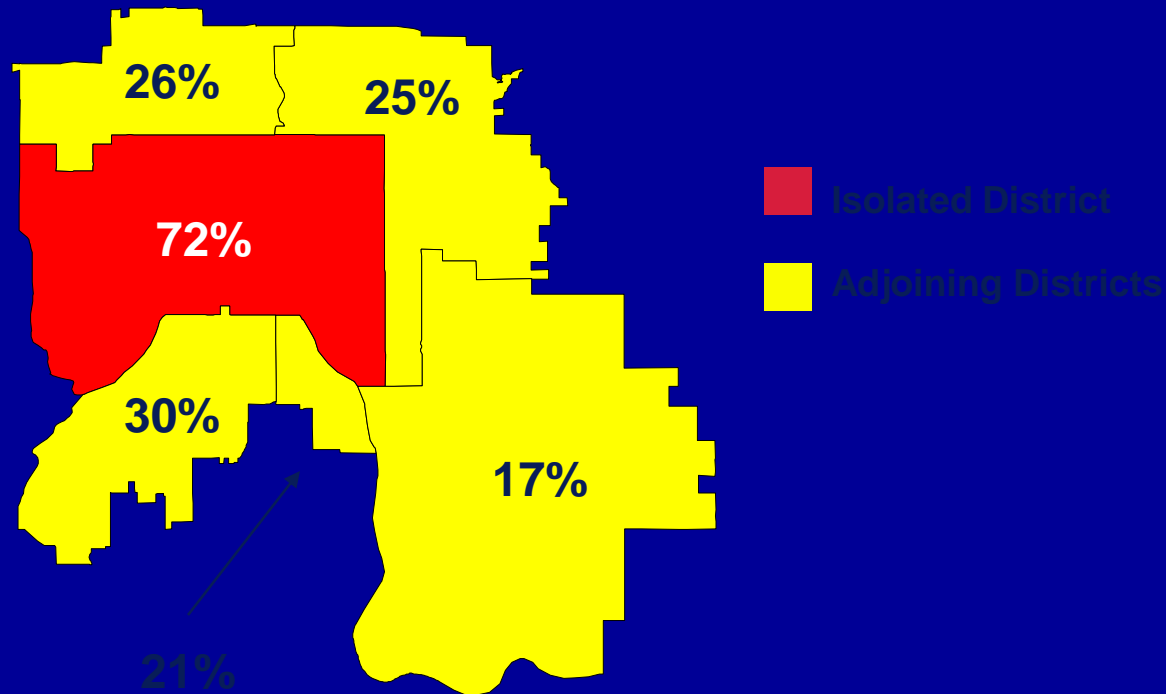
Program needs more focus and oversight

- Purpose of program unclear
- Districts' use of revenue varies
- Funding formula has unintended consequences

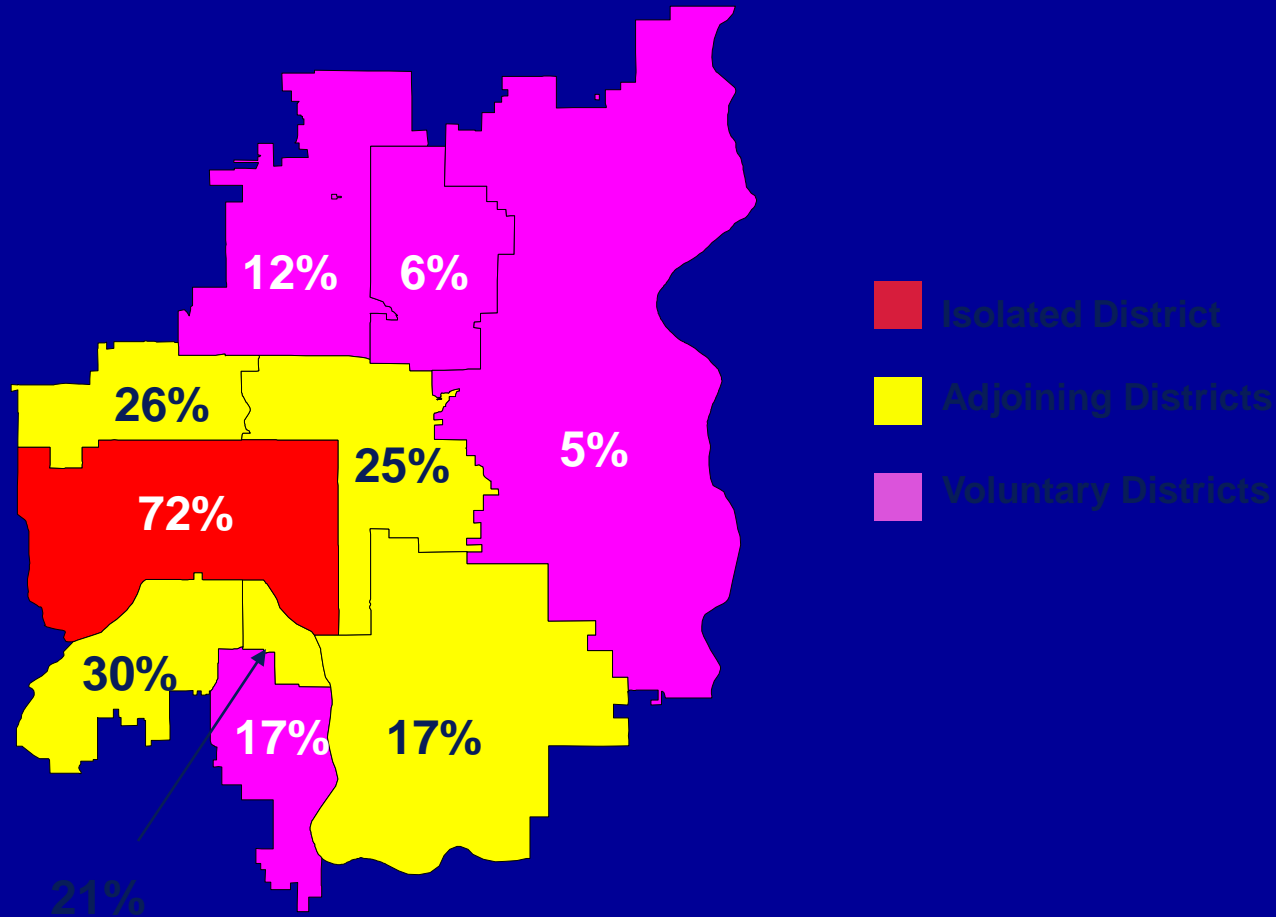
Overview of Integration Revenue Program

- In Fiscal Year 2011:
 - 125 school districts
 - \$91 million
- Districts identified as eligible or volunteer
 - Racially identifiable schools
 - Racially isolated districts
 - Adjoining districts
 - Voluntary districts

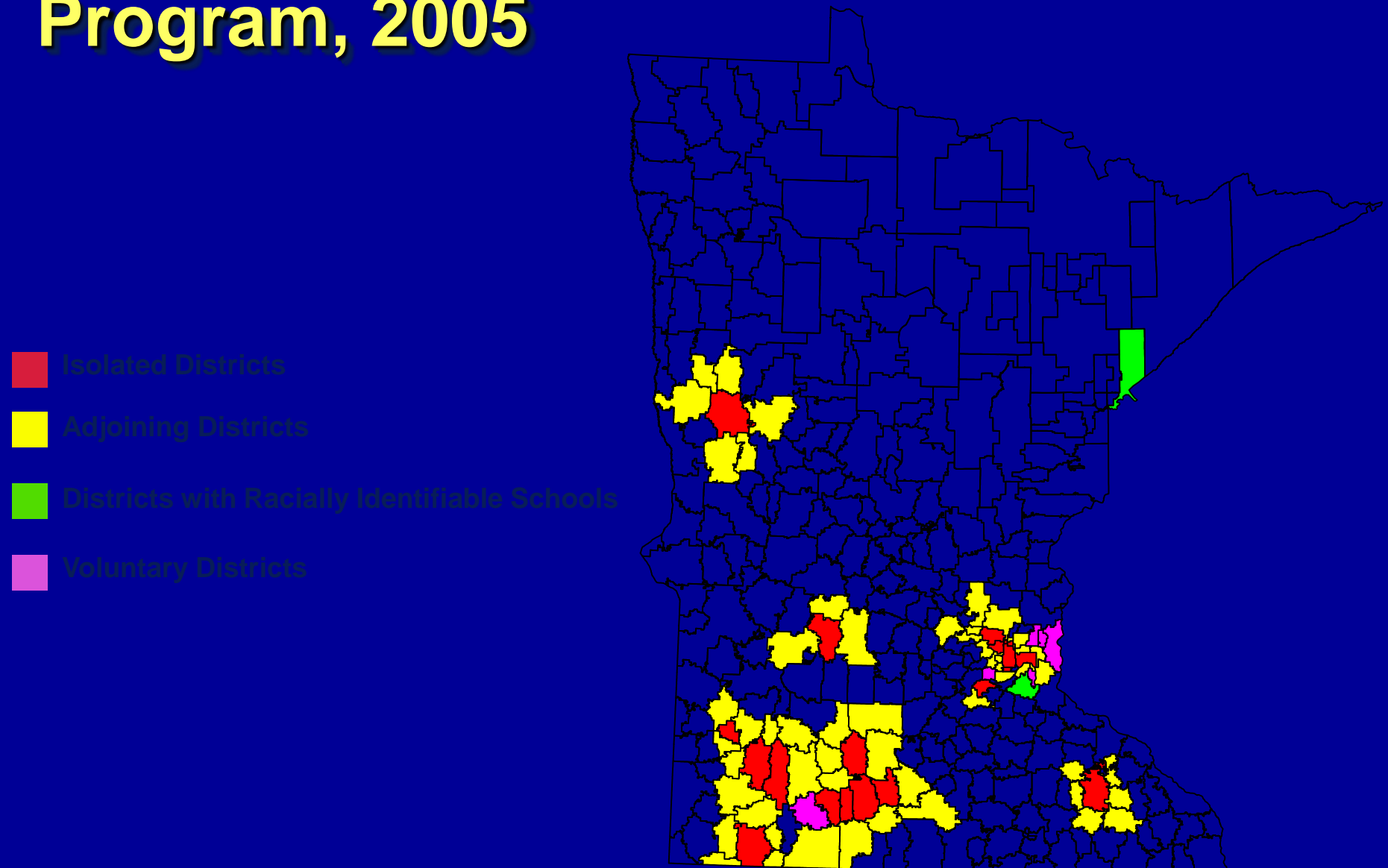
St. Paul and Adjoining Districts, 2005



Isolated, Adjoining, and Voluntary Districts, 2005



School Districts in Integration Revenue Program, 2005



There Are Many Ideas Regarding the Purpose of This Program

- Increase parent involvement
- Provide staff development
- Offer all-day kindergarten
- Achieve student success
- Integrate the community
- Mitigate racial isolation
- Respect and value diversity
- Increase student achievement
- Increase cultural competency
- Recruit, retain, and support teachers of color
- Provide multicultural curriculum
- Close the achievement gap
- Create an inclusive environment
- Develop cultural awareness among students, staff, and the community
- Integrate classrooms
- Expose people to other cultures
- Increase interracial contacts
- Reduce class size

Purpose of Integration Revenue Program

- Racial balance and integration
- Achievement gap
- Staff development
- Multicultural awareness
- Community involvement
- Interracial contact

Districts' Use of Revenue Varies

- Interdistrict magnet schools
- Classroom partnerships
- Summer academic and soccer camps
- Multicultural festivals

Questionable:

- U.S. history textbooks
- English language learner services

Funding Distribution has Unintended Consequences

- Does not reflect districts' different needs
- Results in limited oversight of Minneapolis, St. Paul, Duluth, and voluntary districts

Integration Revenue Funding Rates

	Proportion of Protected Student Enrollment	
	Less Than or Equal to 15 Percent	More Than 15 Percent
Minneapolis	\$480	\$480
St. Paul	445	445
Duluth	206	206
Isolated School District	92	129
Adjoining School District	92	129
School District with Racially Identifiable School(s)	92	129
Voluntary District	92	92

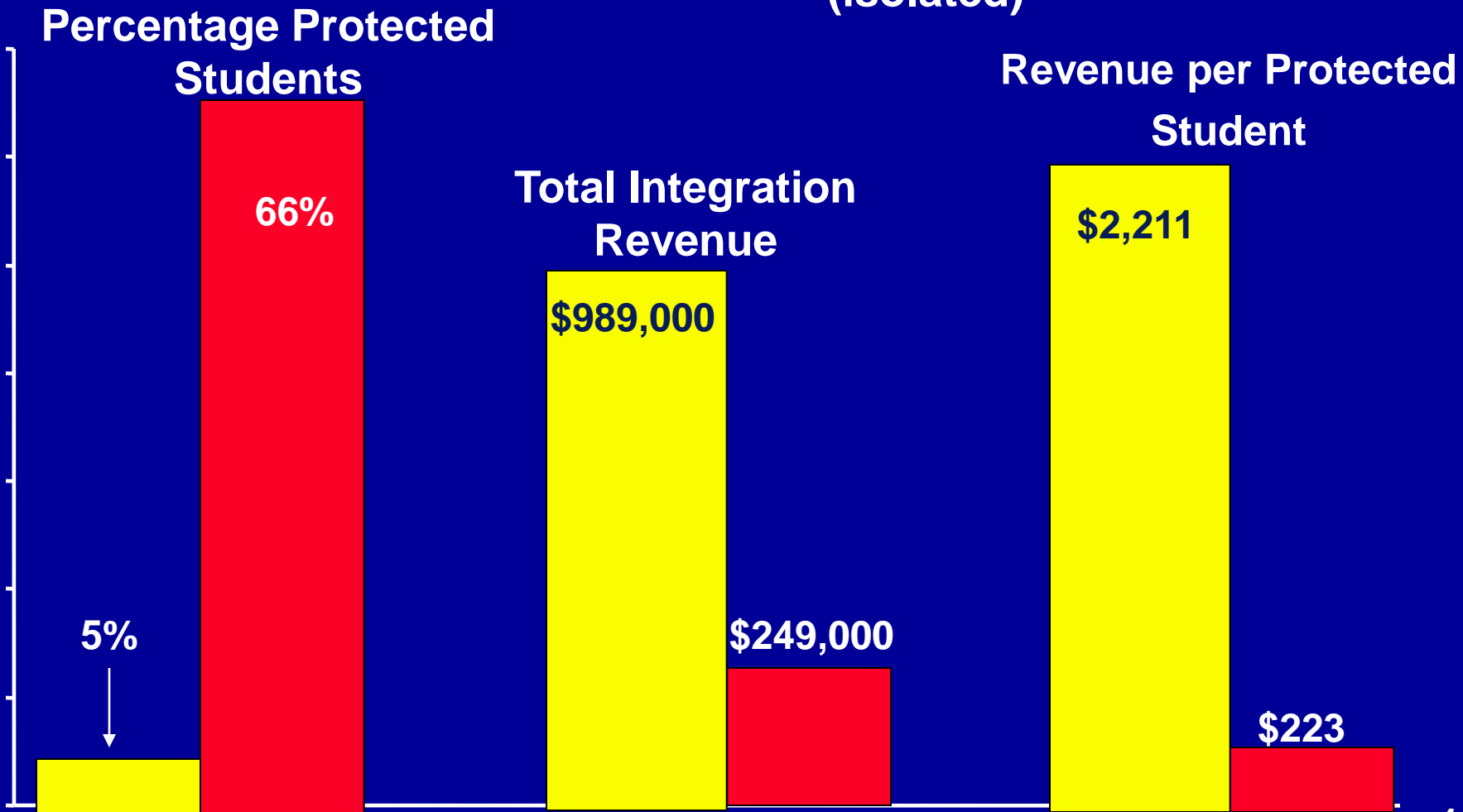
Total Integration Revenue for Select Districts, 2005

	Funding Rate	Total Integration Revenue (000s)
St. Paul	\$445	20,386
Minneapolis	480	18,657
Duluth	206	2,299
Anoka-Hennepin	129	6,036
Eden Prairie	92	1,053
Mountain Lake	129	54
Round Lake	92	12

Funding Formula Does Not Reflect Districts' Different Needs

■ Stillwater (voluntary)

■ Brooklyn Center (isolated)



Limited State Oversight of Revenue

- MDE does not approve Minneapolis, St. Paul, and Duluth integration budgets
 - Represents over half of revenue
- “Voluntary” districts do not need MDE approval
 - \$4.3 million in 2009

Summary of Findings

- Purpose of program unclear
- Districts' use of revenue varies
- Funding formula has unintended consequences

Recommendations

- Legislature should clarify purpose of the program
- Consider changing the funding formula
- Close oversight gaps
 - Minneapolis, St. Paul, and Duluth
 - “Voluntary” districts

School District Integration Revenue
is available online at:

www.auditor.leg.state.mn.us